

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACTS OF GAMING MACHINES MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY 15 APRIL 2002.

Mr TOM NILSSON WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mrs Silvia Smith) - Welcome, Tom, and apologies for running late but various things have intervened and we have ourselves a little bit late but you will not lose out on any time, I can assure you. It is our lunch hour that is going to be cut.

We have received your submission, thank you very much, in the form of a letter and I am sure you have lots more you want to tell us. So what I would like to do is leave it to you to speak to your submission adding the information and we will perhaps ask questions as we go along if that is okay with you.

Mr NILSSON - I've written what I'm going to say so I'll read it out.

CHAIR - That's fine.

Mr NILSSON - Most of it expands on what I've said in my original submission possibly with extras but most of it's about my original submission.

CHAIR - All right then, that's terrific.

Mr NILSSON - For many years poker machines were illegal in Tasmania or at least illegal in pubs. Then, suddenly, they were made legal and they became widespread throughout the State.

In a very short time the situation has changed from poker machines not being allowed in pubs to them being both allowed and quite prevalent. Currently there seems to be an open slather towards poker machines in Tasmania. This seems to be going from one extreme to the other.

While it is unlikely that the clock will be turned back and that poker machines will be banned outright again, what we can do is ensure that there are some controls and limits on gambling in Tasmania. What we need is a balanced approach. Let's take steps to mitigate the undesirable aspects and consequences of gambling in Tasmania.

How could this be done? There are several steps that could be taken. Let's look at advertising on television, radio or other mediums.

There should be a ban or at the very least strict controls on the advertising of gambling venues. I do not think that the glitzy television advertisements for gaming venues that are currently being shown give an accurate description of what is actually being offered. You may have seen the type of advertisements that I'm talking about there.

CHAIR - No, I haven't actually. I don't see very much television at all.

Mrs SUE SMITH - That's the Oasis advertisements ?

Mr NILSSON - Yes.

CHAIR - I've heard about it.

Mrs SUE SMITH - Yes I have.

Mr NILSSON - We hear about what a great place a certain venue is to go to and how it has such a great, friendly atmosphere but we are not told that this is a place where a customer is likely to lose large sums of money with nothing to show for it. This type of virtually deceptive advertising should not be allowed.

Another step that should be taken is that the odds of winning and losing should be clearly displayed on poker machines just like the ingredients on food sold at the supermarket is displayed on packets of goods sold at the supermarket. If the expected return on a machine is 85 cents for every \$1 bet then that figure should be displayed on the side or in front of the machine.

Also, the machines should display a warning that gambling can be addictive and can result in serious adverse consequences to a person who uses the machine. This could be similar to the warnings that are mandatorily displayed on cigarette packets. The warnings could read something like 'Warning - gambling can be addictive. Take care' or something similar.

Another steps is that schoolchildren should be educated more about gambling.

There have been calls for the number of poker machines allowed in the State to be reduced or not increased any further. What I favour about that solution would be to concentrate on excluding gambling addicts from being permitted to use poker machines. This should be done by instituting a system whereby people are only allowed to use poker machines if they have a gambling licence. I will now expand on that idea.

Exclusion and gambling licences. There are two intermediate approaches that could be taken to mitigate the damage caused within the community by poker machines. One approach would be what might be termed a supply side approach which is to limit the number of poker machines. The other approach which I advocate is a demand side approach which seeks to target problem gamblers specifically.

Another way of looking at it is that to reduce or limit the number of poker machines in the State as a whole is a blunt instrument and somewhat simplistic. Gambling addicts are likely to be able to find a poker machine if they want to as long as they are available, even if the numbers are limited. So an overall limit on poker machine numbers will do not much to help addictive gamblers. It would be much more effective to allow as many machines as the gaming venues wish to install but to protect addicts directly by excluding them particularly from using the machines. Do you follow what I'm saying?

CHAIR - I was going to say how do you envisage that we could enforce that by excluding people from using the machines? Are you going to expand on that?

Mr NILSSON - I'll come to that later. I've got a section on that later.

The current legislative provisions relating to the exclusion of gambling addicts from gaming venues where people can nominate themselves for exclusion from a gaming venue or be nominated by a third party but are weak and do not go far enough. These provisions need to be toughened up and extended.

The current exclusion regulations are fairly weak both in terms of the penalties and enforcement. Basically, the penalties that are likely to be faced by gaming establishments for not following the exclusion regulations are so low that it is likely to be more economic for the establishments to flout the regulations and cop any penalty that may result because they will earn more money from the gamblers that are supposed to be excluded than the cost of any penalties that they would end up paying if caught and fined for not excluding those people. I am sure the establishments pay lip service to the regulations and go through the motions of following them but that may be all. It does not seem that the Tasmanian Gaming Commission is going to great lengths to ensure that the regulations are abided by in full by the gambling establishments.

The exclusion provisions need to be strengthened. The way to do that would be to put into a place a system whereby people need a licence in the form of a plastic electronically readable card and an accompanying PIN, personal identification number, in order to be able to access a poker machine. This would be similar to the way people need to possess a driver's licence in order to be allowed to drive a car. The idea of gambling licences sounds like a pretty big deal but such a system could be instituted and could operate fairly easily. If the licence was in the form of an electronically readable plastic card then punters could simply walk up to a poker machine, stick their card into a slot and start playing on the machine.

Now it just so happens that a lot of the poker machines currently in operation in the State already have a slot where people put a plastic card in. There is a Federal points card that people have.

CHAIR - I am aware of that.

Mr NILSSON - So the poker machine operators could not argue that it would be too difficult or expensive to put in the equipment because they already have it. The idea of such a system of gambling licences would be that gambling addicts would not be issued with a licence or if they already had one and became addicted to gambling then their gambling licence could be cancelled. The benefit of having electronically readable cards is that a licence could be cancelled electronically. The card would also need to have a photograph of the licence holder for the purposes of identification. I will say a bit more about enforcement in a minute.

But what about the casual punter who does not want to go to the trouble of filling out a form in order to be issued with a gambling licence? Well, it would not be very difficult to get issued with a licence. It would just be a matter of filling out a form and getting a photograph taken which may only take five or ten minutes. A person would only need to

do it once and it would work for years and years. For people who only want to gamble on very few occasions, gambling establishments could have some poker machines that only take very low coinage such as five cent pieces so that a punter could play for several hours without being able to lose a substantial amount of money. Anyone could be allowed to use those machines but if people wanted to gamble with larger amounts then they would need to have obtained a gambling licence.

Having a gambling licence system would protect both gambling addicts and the families of gambling addicts. It is not a good thing, for example, if a retired couple lose all their retirement savings, which they could have built up over many years of work, to a gambling addiction. Gambling licences would hopefully be able to prevent that. For example, if the man started to lose all the money through gambling on the poker machines then the wife of the man could alert the Gaming Commission and the commission could cancel the man's licence.

Now, more about enforcement. Plastic licences would be an improvement over the current system. In the current system the staff at each gaming venue need to have a set of photographs of people on the list who are excluded gamblers. If they recognise one of the excluded gamblers on the premises then they are supposed to evict them. It is doubtful that the current method of exclusion is actually workable in its current form. Gaming staff may not necessarily recognise the excluded gamblers or may not even spot them. It is probably fairly difficult for the gaming venues to train their staff to be able to recognise and exclude gamblers just from the photographs and for the staff to be always on the lookout for those people. Either gambling establishments are spending a lot of money on paying staff to walk around looking for excluded gamblers, or else a lot of excluded gamblers are getting through the net. I think the latter option is more likely. It would be much simpler and more effective to have an electronic card system. With gambling licences there would exist the possibility that an addicted gambler could obtain another person's gambling licence and its pin number and use it themselves. Of course that would be illegal. It would also be difficult to get the pin number unless the card holder told them what it was. It would be illegal for a licence-holder to knowingly allow someone else to use their licence and give them the pin number, and if they sold their licence and the pin number to an addicted gambler that should be a criminal offence and that person would go to gaol. But if, for example, a man had a gambling problem and he tried to use his wife's gambling licence, she could get the licence cancelled herself by contacting the Gaming Commission.

Also there would be the back-up mechanism whereby gaming staff could, on occasions, check the photo ID on people's licences to ensure that the licence is valid. In other words, there would be two methods of enforcement of the exclusion system: the electronic cards with the pin number, and the ability of gaming staff to check people's licences to ensure that they are valid. No system is entirely foolproof, and if someone really wants to do something then there is a possibility they will find a way of doing so, but gambling licences would go a long way to preventing people's gambling habits from getting out of hand.

So that ends what I have said about the actual system itself. Do you have any questions about that?

CHAIR - Yes, I have a couple. I don't know whether any others have or not. On the issue of licensing, there are a couple of comments you made which I would like you to expand on. You commented on removal of licence if they are noted to have an addiction. How can I as a gaming venue operator decide who is an addicted gambler? How do I make that decision?

Mr NILLSON - The establishment would not do it. There is already a system of third party exclusion at the moment, I understand.

CHAIR - People can exclude themselves, yes, and their third party as well.

Mr NILLSON - So it would be the same as that. So it would not be done by the gambling venue. It would be done by the commission, and because it is an electronic system - what exactly do you want to know?

CHAIR - In the context that you actually said it, I thought it was when somebody is gambling that they are noted to have an addiction at that stage. I thought that is where you meant -

Mr NILLSON - No.

CHAIR - and I was wondering who was making that decision at that point.

Mr NILLSON - No.

CHAIR - On the issuing of the licence, you are talking about.

Mr NILLSON - Yes. They would have to be either excluded by themselves or by a third party, so if they exclude themselves then the commission which organises it -

CHAIR - That is the next question: from where would the licences be issued? From the commission, you're saying now.

Mr NILLSON - From the Gaming Commission, yes.

CHAIR - And are you suggesting there should be a cost on those licences, or not?

Mr NILLSON - I guess so, but I do not see why it would cost that much. On the other hand, that is sort of a matter of the economics of it, but the Government collects a lot of money through the revenue anyway so they could just use that revenue to fund the licences if they wanted to.

Mr SQUIBB - But from what you have been saying this morning they would have to be set up almost in every venue.

Mr NILLSON - What is that?

Mr SQUIBB - The issuing point for the licence.

Mr NILLSON - I guess so, but it could be done with the authority of the commission but at the actual venue, but it is not very hard. I think you just fill out a form. They would have to have a central database of people who were not to be issued with a gambling licence, so if the person filled out the form and showed ID and said 'I'm Bob Smith' and the database said Bob Smith is not on the database as someone who is not allowed to gamble, and the person has ID which shows he is Bob Smith, then there is no reason they could not issue Bob Smith with a licence to gamble.

Mr SQUIBB - Provided they were there on the spot at 10 o'clock at night when Bob Smith came in.

Mr NILLSON - But there is no reason why the gaming staff themselves could not do it. For example, at the casino there is no reason why someone could not do that.

Mr SQUIBB - Right.

Mr NILLSON - With the authority of the Gaming Commission, but all they have to do is, like I said, check the person's ID, check their name on the database. If he is not on the database and he matches with his ID and he fills out his application form, they take a photo of him and issue him with a licence which should not take very long. I do not know about electronically readable cards but I went to the gym the other day and received a membership and they took a photo of me and issued me with a card straightaway. So I do not know the mechanics of electronically readable cards. The other thing is I do not know about the details of how to issue someone with the actual physical -

Mr SQUIBB - Magnetic strip.

Mr NILSSON - Magnetic strip.

CHAIR - The process is probably there because with some system under the rewards cards they can punch in on the readable magnetic strips on those.

Mr SQUIBB - I guess one of the other problems is your next heading anyhow -

Mr NILSSON - Which is?

Mr SQUIBB - Civil liberties.

Mr NILSSON - Oh right.

CHAIR - You are privy to that. I do not have that. Just as an aside, on your proposal of a licence, issuing a licence, would it be a feasible thought to consider issuing on that licence an upper limit of how much a person could use on that at the venue?

Mr NILSSON - Yes. That is a suggestion that I have heard before about upper limits and people might even be able to set themselves limits.

CHAIR - Set themselves limits and things like that?

Mr NILSSON - I did not mention that but that would be definitely a good idea.

Mrs SUE SMITH - Would you expect that if you have a licence to gamble at gaming venues you perhaps should have one to gamble at racecourses?

Mr NILSSON - Yes. I guess your committee's about the poker machines but ideally yes, it should be extended to all forms of gambling. Like I said, for example Tattslotto, if you are only playing a couple of dollars' worth, they might say you did not have a licence for that but at a certain limit you would need no licence. That would probably work with the racing but I do not know how politically acceptable that would be but ideally I guess yes.

CHAIR - Your background is as a private citizen, I gather.

Mr NILSSON - Yes. I have learned a bit about the issue through a community radio program which I present. I interview guests in the community and I have had quite a few guests on the issue of gambling so I have learned about the problem through there and had ideas about it.

CHAIR - I will let you get on. Sorry to have interrupted you.

Mr NILSSON - That is all right, I do not have that much more. I was going to come to the issue of civil liberties. Consider the fact that it is compulsory for people to wear a seatbelt whilst in a moving vehicle and to wear a safety helmet while riding a pushbike. Those laws are for people's own protection as would be the gambling licences. So can you see -

CHAIR - I can see what you are trying to say yes.

Mr NILSSON - Another point to note is that there is no great clamour or push in the electorates demanding the right for people to be able to gamble where ever and when ever they want. That is just not happening. The pressure for allowance of poker machines to be operated in Tasmania is coming largely from the businesses who want to operate the machines and make money from and that is fine. Let them set up their poker machines if that is what they want to do. But also at the same time if a small number of people with gambling problems are prevented by the State from being allowed to gamble that should be fine too. So, yes I guess what I am saying there is people are not demanding the right to gamble so there is no hard and fast argument.

CHAIR - There is not a scream and a crying up there that we want gambling machines and the availability of it 24 hours a day.

Mr NILSSON - No. All laws stop someone's right to do something. I mean, a law about tax stops someone's right to pay tax. We have drug laws stopping people using drugs. So I do not think it is radical a thing to do to stop someone doing something for their own benefit and it is a fairly limited case, specific targeted case. Like I said, it is not as though people are jumping up and down saying, I want the right to gamble; usually it is someone who is doing it, maybe with a personal problem or something.

It is immoral for gaming establishments to profit from the misery of others and it is unconscionable for gaming establishments to take advantage of people's gambling

addictions and it should be stopped. It is not a right to exploit someone. It's wrong and we should try to stop exploitation if we can.

As a society we have a duty to protect those who need to be protected and to help the vulnerable. That is why we have schools, hospitals and other social services. Gambling is just another social issue like health and education that needs to be addressed in a methodical way by the arms of government. We do not live in a jungle, we live in a community of people and that's just a fact.

Tax revenue. What about the argument that the State Government relies on gaming revenue for its spending program? Well, under a system of gambling licences they would still get that revenue although there may be some reduction to reduce gambling tax collected from gambling addicts. But if the Government wants to collect tax it can do so easily; it just needs to pass a law making it mandatory for people to pay tax. The Government can collect tax in ways other than from gambling tax. People still have to pay the money into the Government anyway; it could simply be done through a different tax - for example, land tax. The Government could increase the rate of land tax to compensate for the loss in gambling tax. If the governments are going to collect tax they should do it through a less socially harmful tax than gambling tax.

They still have to collect the same amount of money anyway but it will simply be through a different tax mix. So I guess my point is people still have to pay the money anyway. If they pay the money through gambling tax they pay the money and if they pay the money through land tax they pay the money so they're paying the money anyway. But if you pay the money and don't have the problems of gambling as well then people still have to pay the tax but they don't have the gambling problem as well. That's what I think.

Lastly, just a point on education. Gambling education should be made a mandatory part of the curriculum at all Tasmanian schools. Personally throughout my entire school life I do not recall having any education about the subject of gambling. It is the responsibility of the education system and society to educate children about gambling before they turn 18. If that's not done then we are letting down our young people.

CHAIR - On the issue of education, I've been out of the system for many, many years now. Are you aware that there are compulsory classes for the issue of smoking and drug taking or any of the other addictions that are in our society? Do they have compulsory classes to advise and train the young people in those areas? You are saying that there should be compulsory classes teaching them that there's problem gambling out there.

Mr NILSSON - Not just about problem gambling but just about gambling.

CHAIR - About gambling, yes.

Mr NILSSON - About responsible gambling. If we say you can't gamble before you turn 18, why? Why not just allow kids to gamble? Because you don't think they're responsible. If you're not teaching them about it anyway then how are they going to be responsible even when they're 18?

CHAIR - As a young person who doesn't look to be long out of school - like a few years -

Mr NILSSON - I've been six.

CHAIR - That's a lot less than I've been out I can assure you.

Within the curriculum, are you aware of any programs and classes to teach our young people the problems with alcohol and smoking? Do they have those classes?

Mr NILSSON - If they don't then they should.

CHAIR - You're not aware of it then? Because it's a similar sort of thing, isn't it?

Mr NILSSON - When I went to school we had classes in sex education, particularly about AIDS -

CHAIR - They actually had those when I was at school too.

Mr NILSSON - Really?

But I see even then the emphasis was more on AIDS because that was like a new thing and they wanted to prevent AIDS so there was a program deliberately to try and stop the problem of AIDS and venereal diseases. There actually wasn't very much education about sex education, birth control and that sort of thing, it was mainly just AIDS because that was like a new thing that came along. So generally in that area there isn't much.

CHAIR - They could have a generalised class on all addictions.

Mr NILSSON - Yes Definitely.

CHAIR - Thanks. We've actually heard the comment before about having education within schools so I just wanted -

Mr NILSSON - I did hear that there was a counsellor or someone who was going around the schools teaching people about gambling. But for all the schools in Tasmania that is just one person going around all the schools and they might not get to every student. That is not really part of the curriculum. It is just an important thing.

Definitely I think people should be educated. I am sure people are educated about cigarette smoking.

CHAIR - They hear enough advertising about it, don't they.

Mr NILSSON - Yes, but what is the point of having a law saying that you cannot do it until you are 18 years old unless you are educated about it? That should be the whole point. Before you turn 18 years old you do not know enough about it so you have to make sure that you know enough about it by the time you turn 18.

CHAIR - You mentioned advertising. You talked about advertising being glitzier and whatnot. I am sorry I have not actually seen those advertisements. I see very little

television, I can assure you. You talked about advertising as in cigarettes, the warnings. Where would you see that advertising done?

Mr NILSSON - This is the warnings?

CHAIR - Yes. On the machines themselves?

Mr NILSSON - On the machines themselves or on the front door of the establishment but probably on the machines. I mean, a packet of cigarettes has a warning saying, 'This is addictive'. I guess that cigarettes are worse than poker machines but I cannot see what harm it would do to have a sign there. It is the truth, is it not. If you have a sign there saying the truth, warning that this could be addictive, I cannot see why that should not be allowed. I guess the establishments would not do it unless they had to but it is just stating a fact.

CHAIR - Then you have to have people recognise that they could be addicted or that they could become an addict. It is like the comment I heard quite recently about smoking, the warning signs on packets of cigarettes. One young lady said to me, 'Well, I don't buy the one that says it could be harmful if you're pregnant because I'm not pregnant and I'm never going to be pregnant so I don't worry about that. That doesn't bother me but I don't like the one that says it's going to kill me.' It is people's mindset on these things, isn't it?

Mr NILSSON - I guess the problem there is that with cigarettes a lot of people are already addicted. Once they are already addicted they are addicted. That is the nature of addiction. It is hard for them to stop. In the case of poker machines and cigarettes you want to get the message out before they become addicted. Also displaying the odds.

CHAIR - Displaying the odds. I noticed that you have made that comment. You think that would advise people of what the odds are, that they are not nearly as good as they thought they were?

Mr NILSSON - It is just about disclosure.

CHAIR - Disclosure and plain telling the truth.

Mr NILSSON - That is where education comes in. It is sort of linked: education and advertising. When I talk to people they do not seem to really know a lot about the nature of the odds and that sort of thing. It is about attitudes and education and knowledge about it as much as anything else. There was something else I was going to say but I have forgotten it.

Mr SQUIBB - Given that the studies seem to show that two per cent of the population only are problem gamblers, do you consider your proposal for a gambling licence to be a bit of overkill?

Mr NILSSON - No. What is the percentage of people that actually gamble?

Mr SQUIBB - The percentage of the general population?

Mr NILSSON - Yes.

Mr SQUIBB - I do not know. I do not know if it has ever been identified but studies seem to show or the Productivity Commission shows that across the nation it is about two per cent of those who do gamble who have a problem.

Mr NILSSON - I was just thinking that if it was two per cent, it is not two per cent compared to 100 per cent because 100 per cent of people do not gamble anyway.

Mr SQUIBB - It's two per cent of those who are gambling.

Mr NILSSON - Oh, it is two per cent of those who are gambling. All right, two per cent that have a problem. I guess it may be when you look at it like that. But, as I said in my submission, it is not that hard to get a licence. It would only take 10 minutes. All you would have to do is fill out a form and you get a card and you slip your card into the slot when you use the poker machine and people do that now anyway. So you are not really putting some imposition on people. Like I said, you just have to fill out the form and you only have to do that once the whole time you are going to gamble. So if you like gambling that much I do not see that you are going to mind simply filling out a form and getting a plastic card. So I do not think it is that hard to do. Also the other thing was if you just were a casual punter -

Mr SQUIBB - Or a visitor.

Mr NILSSON - or a visitor then you could still apply for a gambling licence. It is like I said, it should only take 10 minutes. I mean, filling out a form does not even take 10 minutes, it only takes about two minutes and you are sitting there waiting for your card to be issued or having your photo taken, maybe 10 minutes. But I guess there would be a problem with tourists who come to Tasmania for the purposes of gambling, although there are fewer of them now because there are casinos on the mainland. The other thing is that I suggested that there could be poker machines that you do not need a gambling licence for, just for the casual punters which may be limited to five cent pieces.

Mr SQUIBB - That was an interesting concept. The other one I guess is in relation to taxation and given that gambling is a legal activity, albeit regulated and bearing in mind that most people participate of their own free will and are not a problem and so we see that the revenue from that as being a voluntary tax, what you are suggesting is that efforts ought to be made to reduce the reliance on that voluntary tax and to increase involuntary taxation, say land tax?

Mr NILSSON - I do not want to decrease the rate of gambling tax, I am just saying that if you stopped addictive gamblers from being allowed to gamble that would reduce the amount collected. So I do not want to reduce the rate just that if there was a crackdown on problem gamblers and if there were rules put into place to make it hard for gambling addicts to get into the casino, then as a result of that I assume that there would be a reduction in gaming revenue. I do not think it is really very moral to say, 'We are not going to protect problem gamblers from gambling all their life savings away because we need the revenue'. But, like I said, when you said voluntary and involuntary, it is not voluntary to gamble but if you do gamble then you pay tax. Land tax, it is not voluntary own land either.

Mr SQUIBB - Not voluntary to own land?

Mr NILSSON - No, and I cannot see the difference, if you choose to buy land with a house on it or you choose to gamble. I am not saying you should reduce the rate of gambling tax just that you should not base your laws about whether you are going to protect gambling addicts or not about the amount of gambling revenue that you are going to collect. You should not say, 'We are not going to protect gambling addicts just so that we can protect our revenue that we collect from gambling tax'. Land tax was just an example. I guess there are other taxes.

CHAIR - Thank you very much, Tom, for that information and for the work that you put into that submission. We do appreciate your thoughts and we will take them into consideration when we do our report as well. Thank you very much for coming.

Mr NILSSON - Thank you.

THE WITNESS WITHDREW.